

ZIEGLER CHEMICAL & MINERAL CORP.

100 JERICHO QUADRANGLE, JERICHO, NEW YORK 11753

CABLE ADDRESS: "ZIECOMP JERICHONY" • TELEX: 96-1387 • TEL: 516 681-9600

December 9, 1992

DIVISION OF OIL GAS & MINING

Mr. Tony Gallegos State of Utah Department of Northern Resources Division of Oil, Gas & Mining 365 W. North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

Reclamation Surety, Ziegler Chemical & Mineral Corporation, Ziegler Gilsonite Mines, M/047/013, Utah

Dear Mr. Gallegos:

This is in reply to your letter of November 18, 1992 to Norman Haslem concerning the Reclamation Surety for the Ziegler Gilsonite mines. As you know, we currently have a Letter of Credit for \$69,500 which expires January 1, 1993. I understand that the new reclamation surety amount needed for the mines is \$89,500. This amount was negotiated between you and Norman Haslem.

The National Westminster Bank has advised us today that this new Irrevocable Letter of Credit has been set up. The instruction letters and a copy of the Letter of Credit are to be mailed out to your department.

Upon receipt of these documents, could you please advise Norman Haslem in writing that everything is acceptable concerning this surety requirement? We await your reply.

Sincerely yours,

William J. Hyland Vice President Finance

WJH/ky

CC: Norman Haslem